

Fill in this information to identify your case:

United States Bankruptcy Court for the:

SOUTHERN DISTRICT OF NEW YORK

Case number (if known) _____ Chapter 11

☐ Check if this an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/20

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name	HBL SNF, LLC	
2. All other names debtor used in the last 8 years <small>Include any assumed names, trade names and doing business as names</small>	DBA Epic Rehabilitation and Nursing at White Plains	
3. Debtor's federal Employer Identification Number (EIN)	47-5606045	
4. Debtor's address	Principal place of business	Mailing address, if different from principal place of business
	120 Church Street White Plains, NY 10601 <small>Number, Street, City, State & ZIP Code</small>	1280 Albany Post Road Croton on Hudson, NY 10520 <small>P.O. Box, Number, Street, City, State & ZIP Code</small>
	Westchester <small>County</small>	Location of principal assets, if different from principal place of business <small>Number, Street, City, State & ZIP Code</small>
5. Debtor's website (URL)		
6. Type of debtor	<input checked="" type="checkbox"/> Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP)) <input type="checkbox"/> Partnership (excluding LLP) <input type="checkbox"/> Other. Specify: _____	

Debtor **HBL SNF, LLC**
Name

Case number (if known)

7. Describe debtor's business A. *Check one:*

- ☒ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☐ None of the above

B. *Check all that apply*

- ☐ Tax-exempt entity (as described in 26 U.S.C. §501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. §80a-3)
☐ Investment advisor (as defined in 15 U.S.C. §80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor.
 See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

6231

8. Under which chapter of the Bankruptcy Code is the debtor filing? *Check one:*

- ☐ Chapter 7
☐ Chapter 9

☒ Chapter 11. *Check all that apply:*

A debtor who is a "small business debtor" must check the first sub-box. A debtor as defined in § 1182(1) who elects to proceed under subchapter V of chapter 11 (whether or not the debtor is a "small business debtor") must check the second sub-box.

- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
☒ The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, **and it chooses to proceed under Subchapter V of Chapter 11**. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
☐ A plan is being filed with this petition.
☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?
☒ No.
☐ Yes.

If more than 2 cases, attach a separate list.

District	_____	When	_____	Case number	_____
District	_____	When	_____	Case number	_____

Debtor **HBL SNF, LLC** Case number (if known) _____
Name

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor? ☒ No ☐ Yes.

List all cases. If more than 1, attach a separate list

Debtor Relationship
District _____ When _____ Case number, if known _____

11. Why is the case filed in this district? Check all that apply:
- ☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- ☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention? ☒ No ☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.
- Why does the property need immediate attention? (Check all that apply.)**
- ☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.
What is the hazard? _____
- ☐ It needs to be physically secured or protected from the weather.
- ☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).
- ☐ Other _____
- Where is the property?** _____
Number, Street, City, State & ZIP Code
- Is the property insured?**
- ☐ No
- ☐ Yes. Insurance agency _____
Contact name _____
Phone _____

Statistical and administrative information

13. Debtor's estimation of available funds Check one:
- ☒ Funds will be available for distribution to unsecured creditors.
- ☐ After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors
- | | | |
|---|--|--|
| <input type="checkbox"/> 1-49 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000 |
| <input type="checkbox"/> 50-99 | <input type="checkbox"/> 5001-10,000 | <input type="checkbox"/> 50,001-100,000 |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> More than 100,000 |
| <input checked="" type="checkbox"/> 200-999 | | |

15. Estimated Assets
- | | | |
|--|--|--|
| <input type="checkbox"/> \$0 - \$50,000 | <input checked="" type="checkbox"/> \$1,000,001 - \$10 million | <input type="checkbox"/> \$500,000,001 - \$1 billion |
| <input type="checkbox"/> \$50,001 - \$100,000 | <input type="checkbox"/> \$10,000,001 - \$50 million | <input type="checkbox"/> \$1,000,000,001 - \$10 billion |
| <input type="checkbox"/> \$100,001 - \$500,000 | <input type="checkbox"/> \$50,000,001 - \$100 million | <input type="checkbox"/> \$10,000,000,001 - \$50 billion |
| <input type="checkbox"/> \$500,001 - \$1 million | <input type="checkbox"/> \$100,000,001 - \$500 million | <input type="checkbox"/> More than \$50 billion |

16. Estimated liabilities
- | | | |
|---|---|--|
| <input type="checkbox"/> \$0 - \$50,000 | <input type="checkbox"/> \$1,000,001 - \$10 million | <input type="checkbox"/> \$500,000,001 - \$1 billion |
|---|---|--|

Debtor

HBL SNF, LLC

Name

Case number (if known)

☐ \$50,001 - \$100,000

☐ \$100,001 - \$500,000

☐ \$500,001 - \$1 million

☒ \$10,000,001 - \$50 million

☐ \$50,000,001 - \$100 million

☐ \$100,000,001 - \$500 million

☐ \$1,000,000,001 - \$10 billion

☐ \$10,000,000,001 - \$50 billion

☐ More than \$50 billion

Debtor **HBL SNF, LLC**
Name

Case number (if known)

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

**17. Declaration and signature
of authorized
representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **November 1, 2021**
MM / DD / YYYY

X /s/ Lizer Jozefovic
Signature of authorized representative of debtor

Title **Chief Executive Officer**

Lizer Jozefovic
Printed name

18. Signature of attorney

X /s/ Tracy L. Klestadt
Signature of attorney for debtor

Date **November 1, 2021**
MM / DD / YYYY

Tracy L. Klestadt
Printed name

Klestadt Winters Jureller Southard & Stevens, LLP
Firm name

200 West 41st Street
17th Floor
New York, NY 10036-7203
Number, Street, City, State & ZIP Code

Contact phone **(212) 972-3000**

Email address **tklestadt@klestadt.com**

2089985 NY
Bar number and State

HBL SNF, LLC
d/b/a
EPIC REHABILITATION AND NURSING AT WHITE PLAINS
FINANCIAL STATEMENTS
Nine Months Ended September 30, 2021

HMM, CPAs LLP

AUDIT | TAX | CONSULTING

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Members of:

HBL SNF, LLC d/b/a Epic Rehabilitation and Nursing at White Plains
White Plains, NY

Management is responsible for the accompanying financial statements of HBL SNF, LLC d/b/a Epic Rehabilitation and Nursing at White Plains (a corporation), which comprise the balance sheet as of September 30, 2021, the related statement of loss and changes in members' deficit for the one month and the nine months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

A statement of cash flows for the nine months ended September 30, 2021, has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

Supplementary Information

The supplementary information contained in pages 13 through 19, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

HMM, CPAs LLP

Hauppauge, NY
October 22, 2021

HBL SNF, LLC**d/b/a****EPIC REHABILITATION AND NURSING AT WHITE PLAINS****BALANCE SHEET****September 30, 2021****ASSETS****CURRENT ASSETS**

Cash and cash equivalents	\$ 400,639
Accounts Receivables net of allowance for doubtful accounts of \$136,377 as of September 30, 2021	3,514,655
Due from third party payors	1,357,579
Inventory	30,041
Security deposits	3,707
Prepaid expenses	1,230,551
TOTAL CURRENT ASSETS	6,537,172

RESIDENT FUND 68,210

PROPERTY AND EQUIPMENT at cost, less
accumulated depreciation 2,525,929

TOTAL ASSETS **\$ 9,131,311****LIABILITIES & MEMBERS' DEFICIT****CURRENT LIABILITIES**

Accounts payable	\$ 1,879,684
Accrued payroll expenses and taxes payable	939,721
Accrued expenses	678,009
Payable to third party and private payors	166,844
Current portion of long term debt	62,351
TOTAL CURRENT LIABILITIES	3,726,609

RESIDENT FUND PAYABLE 67,710

DUE TO OTHERS 1,100,000

DUE TO RELATED PARTIES 15,044,004

LONG TERM DEBT, less current portion above 190,553

CONTINGENCIES -

TOTAL LIABILITIES **20,128,876****MEMBERS' DEFICIT** **(10,997,565)****TOTAL LIABILITIES & MEMBERS' DEFICIT** **\$ 9,131,311**

The accompanying Notes to Financial Statements are an integral part of this statement.

Unaudited - See Independent Accountant's Compilation Report

HBL SNF, LLC

d/b/a

EPIC REHABILITATION AND NURSING AT WHITE PLAINS**STATEMENT OF LOSS AND CHANGES IN MEMBERS' DEFICIT**

	One Month Ended September 30, 2021		Nine Months Ended September 30, 2021	
OPERATING REVENUE				
Routine and ancillary service income	\$ 1,998,017	\$ 532.80	\$ 17,496,837	\$ 556.34
Other operating income	234	0.06	11,479	0.36
TOTAL OPERATING REVENUE	<u>1,998,251</u>	<u>532.86</u>	<u>17,508,316</u>	<u>556.70</u>
EXPENSES				
Nursing & Medical	618,219	164.84	5,456,861	173.52
Therapy & Ancillaries	272,434	72.65	2,408,795	76.59
Social Services	14,247	3.80	137,985	4.39
Leisure Time Activities	30,190	8.05	255,552	8.12
Cleanliness & Safety	133,204	35.52	1,207,716	38.41
Food & Nutrition	156,696	41.79	1,291,038	41.06
General & Administration	360,000	96.00	2,916,476	92.74
Property	602,908	160.76	5,450,340	173.31
Non-Comparable	38,102	10.16	308,340	9.80
TOTAL EXPENSES	<u>2,226,000</u>	<u>593.57</u>	<u>19,433,103</u>	<u>617.94</u>
NET OPERATING LOSS	(227,749)	(60.71)	(1,924,787)	(61.24)
NON-OPERATING INCOME				
Forgiveness of Paycheck Protection Program Loan	-	-	482,320	15.34
TOTAL NON-OPERATING INCOME	<u>-</u>	<u>-</u>	<u>482,320</u>	<u>15.34</u>
NET LOSS	<u>\$ (227,749)</u>	<u>\$ (60.71)</u>	(1,442,467)	<u>\$ (45.90)</u>
MEMBERS' DEFICIT				
Balance, Beginning of Period			(9,555,098)	
BALANCE, END OF PERIOD			<u>\$ (10,997,565)</u>	
NUMBER OF RESIDENT DAYS	3,750		31,450	
AVERAGE NUMBER OF RESIDENTS	125		115	

The accompanying Notes to Financial Statements are an integral part of this statement.

Unaudited - See Independent Accountant's Compilation Report

HBL SNF, LLC**d/b/a****Epic Rehabilitation and Nursing at White Plains****NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(1) Summary of significant accounting policies**

Description of Operations - HBL SNF, LLC d/b/a Epic Rehabilitation and Nursing at White Plains (the Company), is licensed as a 160 bed Residential Health Care Facility located in White Plains, NY. The Company provides the necessary medical services to its residents. The entity commenced operations on November 14, 2019 as limited liability Company in accordance with the Limited Liability Law of the State of New York. The Company does not have a termination date.

Basis of Accounting – The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents - Cash and cash equivalents consists of cash held in checking and money market accounts and certificates of deposits with original maturities of three months or less.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual events and results could differ from those assumptions and estimates.

Routine and ancillary service income – Routine and ancillary service income is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations.

Generally, the Company bills the residents and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in our facility receiving skilled nursing services or residents receiving other services in our facility. The Company measures the performance obligation from admission into the facility, or the commencement of an inpatient service, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge or completion of the inpatient services.

Revenue for performance obligations satisfied at a point in time is generally recognized when goods or services are provided to the residents and the Company does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Company has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Company determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured residents in accordance with the Company's policy, and implicit price concessions provided to Residents. The Company determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The Company determines its estimate of implicit price concessions based on its historical collection experience.

HBL SNF, LLC**d/b/a****Epic Rehabilitation and Nursing at White Plains****NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(1) Summary of Significant Accounting Policies (continued)**

The Company has determined that the nature, amount, timing, and uncertainty of revenue and cash flows is primarily affected by the primary payor source. A table providing details of this factor is presented below:

	One Month Ended September 30, 2021	Nine Months Ended September 30, 2021
Private	\$ 171,025	\$ 817,279
Medicare	1,101,901	10,394,482
Other Insurance & MLTC	159,177	1,337,735
Medicaid	565,914	4,947,341
Total	<u>\$ 1,998,017</u>	<u>\$ 17,496,837</u>

Routine and ancillary service income is comprised primarily of Skilled Nursing Revenue. Revenue from other services is not a significant component of resident services revenue. For the one month and the nine months ended September 30, 2021, the Company recognized revenue of \$1,998,017 and \$17,496,837 from goods and services that transfer to the customer over time.

The Company has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payors for the effects of a significant financing component due to the Company's expectation that the period between the time the service is provided to a resident and the time that the Resident or a third-party payor pays for that service will be one year or less.

However, the Company does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

The Company has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Company otherwise would have recognized is one year or less in duration.

Variable Interest Entity Election - The Company has an agreement with White Plains Healthcare Properties I, LLC (The Realty) under which the Realty owns the land and building and leases it to the Company. The Company and the Realty do not have common ownership. The Company has no ownership interest in the Realty but does not guarantee the Realty's debt. The Company has determined that the Realty is a variable interest entity and the Company is the primary beneficiary and therefore would be required under Financial Accounting Standards Board Accounting Standards Codification to consolidate their financial statements. The Company though had elected to apply the alternative accounting and disclosure for certain variable interest entities provided to private companies pursuant to generally accepted accounting principles, and first effective for years beginning after December 15, 2014. Accordingly, the Company has opted not to consolidate their financial statement with the Realty (see also Note 9).

Property and Equipment - Property and equipment are stated at cost and are depreciated over their estimated useful lives using the straight-line method. Additions and improvements which extend the life of the assets are capitalized, and normal repairs and maintenance are charged to current operations. The costs and related accumulated depreciation of assets retired or disposed of are removed from the related accounts and the resulting gain or loss is reflected in income. Depreciation is computed using the straight-line method over the estimated lives of the assets which are as follows:

Leasehold Improvements	10-15
Major Movable Equipment	10
Computers	5

Unaudited – See Independent Accountant's Compilation Report

HBL SNF, LLC**d/b/a****Epic Rehabilitation and Nursing at White Plains****NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(1) Summary of Significant Accounting Policies (continued)**

Long-Lived Assets – The Company assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable by comparing the expected undiscounted future cash flows of the assets within the respective carrying amounts as of the date of assessment. Should aggregate expected future cash flows be less than the carrying value, impairment would be recognized, measured as the difference between the carrying value and the fair value of the asset. During 2021, the Company did not record any impairment charges.

Resident Fund- Resident funds represent cash held in escrow on behalf of the residents. Such funds represent living allowances received by residents from the State of New York, as well as other resident funds deposited with the Company for safe keeping. Accordingly, the amounts are reported as assets and liabilities of the Company and are included on the balance sheet as “resident fund” and “resident funds payable.”

Concentration of Credit Risk - Accounts receivable potentially exposes the Company to concentrations of credit risk, as defined by FASB in the ASC. The Company's outstanding receivables are generated from third-party payers and private pay sources for residents residing in the facility. Third-party payors include the Medicaid, Medicare and private insurance companies. Private pay sources include individual residents.

The Company provides credit in the normal course of business, without collateral, to its residents, most of who are local residents and are insured under third party agreements. The Company has collateral in the form of restricted funds held in escrow for their private paying residents. Accounts receivable from residents and third party payors were approximately as follows as of September 30, 2021:

Medicaid	17.87%
Medicare	39.85%
Self Pay	42.28%
Total	<u>100.00%</u>

Allowance for Doubtful Accounts - Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Company analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and the provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to residents who have third-party coverage, the Company analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay residents (which includes both residents without insurance and residents with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Company records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many residents are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Epic Rehabilitation and Nursing at White Plains**NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(1) Summary of Significant Accounting Policies (continued)**

Assessing Collectability - The Company recognizes resident service revenue associated with services provided to residents who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured residents, the Company recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated). On the basis of historical experience, a portion of the Company's uninsured residents will be unable or unwilling to pay for the services provided. Thus, the Company records a provision for bad debts related to uninsured residents in the period the services are provided.

Income Taxes - The Company is a limited liability company organized under the laws of the State of New York and does not incur income taxes. Instead, its earnings are included in the members' personal income tax returns and taxed depending on their personal tax situations. The financial statements, therefore, do not include a provision for income taxes. The Company files income tax returns in the U.S. federal, and New York State jurisdictions. The Company recognizes the effects of income tax positions only if they are more likely than not of being sustained. Management has determined that the Company has no uncertain tax provisions that would require financial statement recognition.

Impact of Coronavirus (COVID-19) - In March 2020, an outbreak of a new strain of coronavirus, COVID-19, emerged as a pandemic in New York State and across the United States, leading to widespread business shutdowns and significant fluctuations in the financial markets. The COVID-19 outbreak has been ongoing and as such, has disrupted supply chains and affected production and sales across a range of industries.

Long term care facilities have been impacted by the pandemic with many facilities experiencing reduced census due to COVID-19 deaths. Although not all of the reduction in census can be directly attributed to COVID-19 deaths, new admissions have slowed dramatically due to a general decline in medical care and concern among patients and family members about the coronavirus.

In response to the coronavirus outbreak, the US Government passed the Families First Coronavirus Relief Act (FFCRA) and the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). These two pieces of legislation were designed to assist individuals and businesses in dealing with the coronavirus outbreak.

Even though the Company has received assistance in response to the pandemic, the extent to which COVID-19 impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of COVID-19. Therefore, the related financial impact cannot be reasonably estimated at this time.

Subsequent Events - In preparing these financial statements, the Company has evaluated subsequent events through October 22, 2021, which is the date the financial statements were available to be issued.

(2) Resident fund

The Company acts as a fiduciary for the personal funds of its residents. These funds are kept in a separate cash account. The resident fund cash balance at September 30, 2021 was \$68,210. The resident fund payable at September 30, 2021 was \$67,710.

(3) Resident Service Income from Third Party Payors

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare: Certain inpatient services are paid at prospectively determined rates per day based on clinical, diagnostic and other factors. Physician services are paid based upon established fee schedules. Inpatient services are paid using prospectively determined rates.

Epic Rehabilitation and Nursing at White Plains**NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(3) Resident Service Income from Third Party Payors (continued)**

Medicaid: Reimbursements for Medicaid services are generally paid at prospectively determined rates per day. The Company is reimbursed for services at tentative rates with final settlement determined after submission of annual cost reports by the Company and audits thereof by the Medicaid administrative contractor.

Other: Payment agreements with certain commercial insurance carriers and health maintenance organizations provide for payment using prospectively determined rates per day.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Nursing Home believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing resident care.

These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Company's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Company estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to Resident service revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered significant for the nine months ended September 30, 2021. Subsequent changes that are determined to be the result of an adverse change in the Resident's ability to pay are recorded as bad debt expense.

Due from Third Party Payors consisted of the following at September 30, 2021:

1% Rate Restoration	\$	99,500
2019 Quality Pool		(46,730)
2020 Medicaid Rate Changes		193,290
2021 Medicaid Rate Changes		1,111,519
Due from third party payors	\$	<u>1,357,579</u>

HBL SNF, LLC**d/b/a****Epic Rehabilitation and Nursing at White Plains****NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(3) Resident Service Income from Third Party Payors (continued)**

Payable to third party and private payors consisted of the following at September 30, 2021:

Due to Medicaid - (credit balances)	\$	79,906
Due to Private - (credit balances)		8,821
Due to Other Ins, - (credit balances)		78,117
Total payable to third party and private payors	\$	<u>166,844</u>

Temporary Suspension of Medicare Sequestration

The Budget Control Act of 2011 requires a mandatory, across the board reduction in federal spending, called a sequestration. Medicare fee for service claims with dates of service or dates of discharge on or after April 3, 2013 incur a 2.0% reduction in Medicare payments. All Medicare rate payments and settlements have incurred this mandatory reduction and it will continue to remain in place through at least 2023, unless Congress takes further action. In response to COVID-19, the CARES Act temporarily suspended the automatic 2.0% reduction of Medicare claim reimbursements for the period of May 1, 2020 through December 31, 2021. During the nine months ended September 30, 2021, the suspension of sequestration resulted in net revenues of approximately \$200,000.

Medicaid Rate Changes

	<u>Rate</u>	<u>Medicaid Only CMI</u>
November 14, 2019	\$ 258.14	N/A
January 1, 2021 - CMI Dated 7/2020	\$ 338.67	1.51
July 1, 2021 - CMI Dated 1/2021	\$ 331.99	1.46
Assessment per diem - 1/1/19	\$ 17.31	N/A

As part of the budget, New York State implemented an across the board (ATB) reduction to Medicaid payments made to most Medicaid providers. All fee-for-service payments with dates of service of January 1, 2021 through September 30, 2021, were reduced by 1.5%.

(4) Property and Equipment

Property and equipment consisted of the following at September 30, 2021:

Major moveable equipment	\$	2,316,312
Leasehold improvements		591,316
Computers		60,109
Total at cost		<u>2,967,737</u>
Accumulated Depreciation		<u>(441,808)</u>
Net property and equipment	\$	<u>2,525,929</u>

The depreciation charged to operations for the one month and the nine months ended September 30, 2021 was \$21,000 and \$189,000, respectively. The depreciation policies followed by the Company are described in Note (1).

HBL SNF, LLC**d/b/a****Epic Rehabilitation and Nursing at White Plains****NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(5) Accrued Payroll Expenses and Taxes Payable**

Accrued payroll expenses and taxes payable consisted of the following at September 30, 2021:

Accrued payroll, sick, and vacation	\$	352,618
Accrued payroll taxes		587,103
Total accrued payroll and taxes payable	\$	<u>939,721</u>

(6) Long-term Debt

Long-term debt consisted of the following at September 30, 2021:

(A)	\$208,948 lease payable, interest at 10.38%, monthly installments of \$4,479, including principal and interest, due December 2024	\$	148,336
(B)	\$22,656 lease payable, interest at 11.60%, monthly installments of \$500, including principal and interest, due March 2025		17,163
(C)	\$101,955 lease payable, interest at 11.65%, monthly installments of \$2,250, including principal and interest, due October 2025		<u>87,405</u>
	Total long term debt		252,904
	Less: Amount due within one year		<u>62,351</u>
	Amount Due After One Year	\$	<u>190,553</u>

Monthly requirements on long-term debt are as follows for the year ended:

	(A)	(B)	(C)	TOTAL
2021	\$ 9,708	\$ 1,012	\$ 4,244	\$ 14,964
2022	41,441	4,352	18,261	64,054
2023	45,953	4,884	20,506	71,343
2024	51,234	5,482	23,027	79,743
2025	-	1,433	21,367	22,800
2026 thereafter	-	-	-	-
TOTAL	\$ 148,336	\$ 17,163	\$ 87,405	\$ 252,904

Total interest expense for the one month and the nine months ended September 30, 2021 was \$2,340 and \$22,573, respectively.

The assets and liabilities under capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over their estimated productive lives. Amortization of assets under capital leases is included in depreciation expense for the one month and the nine months ended September 30, 2021. The following is a summary of property held under capital lease:

Leasehold Improvements	\$	333,559
MME		22,656
Accumulated Depreciation		<u>(30,629)</u>
Net	\$	<u>325,586</u>

Unaudited – See Independent Accountant's Compilation Report

HBL SNF, LLC**d/b/a****Epic Rehabilitation and Nursing at White Plains****NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(7) Transactions with Related Parties**

Due (to) / from Related Parties consisted of the following at September 30, 2021:

Due to Salem Acquisition I, LLC	\$	(7,062)
Due from Water's edge		201,376
Due to Waterview Acquisition I, LLC		(2,518,777)
Due from Broward Acquisition, LLC		444
Due to Skyview Nursing Home		(10,825,337)
Due to Putnam Operation Acquisition		(165,830)
Due from Due to Riverfront, LLC		200
Due from Due to Watercrest Acquisition I, LLC		13,000
Due to Park Manor Acquisition II, LLC		(865,543)
Due to EPIC Management, LLC		(31,440)
Due to Epic Senior, LLC		(174,963)
Due from Montgomery Nursing Home		99,928
Due to Owners		(770,000)
Total Net Due to related parties	\$	<u>(15,044,004)</u>

The Company has received loans from related parties. These related parties are nursing homes who have common ownership with the Company: Salem Acquisition I, LLC, Water's Edge, Waterview Acquisition I, LLC, Broward Acquisition I, LLC, Skyview Acquisition, LLC, Putnam Operation Acquisition I, LLC, Park Manor Acquisition II, LLC and Montgomery Nursing Home.

The Company receives management services from EPIC Healthcare Management, LLC and Epic Senior, LLC, related parties with common ownership. Total management services for the one month and the nine months ended September 30, 2021 was \$79,930 and \$691,285, respectively.

The above loans do not accrue interest and have no set repayment terms.

(8) PPP Loan Payable

In April 2020, the Company received a loan in the amount of \$482,300 under the Payroll Protection Program ("PPP Loan"). The PPP Loan, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The PPP Loan and accrued interest are forgivable after the covered period, up to 24-weeks, if the borrower uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP Loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, up to 24-weeks. The unforgiven portion of the PPP Loan is payable over two years (with a possible extension to five years), at an interest rate of 1%, with a deferral of payments for the first 10 months. All the proceeds of the PPP Loan were used by the company to pay eligible payroll costs and the Company maintained its headcount and otherwise complied with the terms of the PPP Loan.

The Company believes that it has acted in compliance with the program and has requested forgiveness of the PPP Loan. The PPP Loan of \$482,300 was forgiven as of September 30, 2021 and is shown on the statement of loss and changes in members' deficit.

HBL SNF, LLC**d/b/a****Epic Rehabilitation and Nursing at White Plains****NOTES TO FINANCIAL STATEMENTS****Nine Months Ended September 30, 2021****(9) Lease Agreement**

The Company has an arm's length lease with White Plains Healthcare Properties I, LLC (The Realty) to operate a 160-bed skilled nursing facility located at 120 Church Street, White Plains, NY 10601. The lease, dated November 19, 2015 has a thirty-year term. The lease calls for annual rent in the amount of \$6,073,158, split into monthly installments of \$506,097 per month. The total rent charged to operations for the one month and the nine months ended September 30, 2021 was \$506,097 and \$4,554,869, respectively.

Future minimum lease payments are as follows:

2021	\$	1,518,289
2022		6,073,158
2023		6,073,158
2024		6,073,158
2025		6,073,158
2026 - thereafter		89,579,081
Total future minimum lease payments	\$	<u>115,390,002</u>

(10) Pension

The Company is a sponsor in a multiple employer defined contribution plan with EPIC Healthcare Management, LLC, a related party. The plan covers substantially all of its employees and provides deferred compensation and profit sharing benefits. The plan provides that employees who have attained age 18 and completed three months of service can voluntarily contribute from 1% to 85% of their earnings to the plan. The Company may contribute a discretionary matching contribution and a discretionary profit-sharing amount equal to a percentage of the participants' contribution. Pension expense for the one month and the nine months ended September 30, 2021 was \$2,450 and \$14,454, respectively.

(11) Commitments and Contingencies

The Company is involved in various claims and legal actions in the normal course of business. Management estimates that such matters will be resolved without material adverse effect on the Company's future financial position or results from operations.

The Company files annual cost reports with National Government Services as fiscal intermediary for the Medicare Program and New York State Department of Health for the development of Medicare and Medicaid payment rates. Revenue received under cost reimbursement agreements are subject to audit and retroactive adjustment. Provisions have not been made in the accompanying financial statements for the effect of such adjustment, if any, relating to this matter.

HBL SNF, LLC
d/b/a
EPIC REHABILITATION AND NURSING AT WHITE PLAINS
SUPPLEMENTARY INFORMATION
Nine Months Ended September 30, 2021

HBL SNF, LLC
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d/b/a**EPIC REHABILITATION AND NURSING AT WHITE PLAINS****STATEMENT OF OPERATIONS - REVENUES****Nine Months Ended September 30, 2021**

CURR. MTH. 09/01/21 09/30/21	DESCRIPTION	CUM. 01/01/21 09/30/21	PER DAY 01/01/21 09/30/21	PER DAY 09/01/21 09/30/21	% INC (DEC) CUM. vs. CURR. MTH.
ROUTINE AND ANCILLARY SERVICE INCOME					
\$ 565,914	MEDICAID	\$ 4,947,814	\$ 347.90	\$ 327.31	-6.29%
-	MEDICAID RETRO	(473)	(0.03)	-	0.00%
159,177	OTHER INS. & MLTC	1,337,735	444.73	402.98	-10.36%
1,041,833	MEDICARE PART - A	9,935,797	795.63	813.30	2.17%
171,025	PRIVATE	817,279	471.87	495.72	4.81%
60,068	MEDICARE PART B	458,685	14.58	16.02	8.99%
<u>\$ 1,998,017</u>	ANCILLARY SERVICE INCOME	<u>\$ 17,496,837</u>	<u>\$ 556.34</u>	<u>\$ 532.80</u>	<u>-0.68%</u>
OTHER OPERATING INCOME					
\$ 234	OTHER INCOME	\$ 11,479	\$ 0.36	\$ 0.06	-500.00%
<u>\$ 234</u>	TOTAL OTHER OPERATING INCOME	<u>\$ 11,479</u>	<u>\$ 0.36</u>	<u>\$ 0.06</u>	<u>-500.00%</u>

*Average Routine and Ancillary Service Income and Contractual Allowances for all classes of residents.
 Unaudited - See Independent Accountant's Compilation Report

HBL SNF, LLC
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d/b/a**EPIC REHABILITATION AND NURSING AT WHITE PLAINS****STATEMENT OF OPERATIONS - EXPENSES****Nine Months Ended September 30, 2021**

CURR. MTH. 09/01/21 09/30/21	DEPARTMENT	CUM. 01/01/21 09/30/21	PER DAY 01/01/21 09/30/21	PER DAY 09/01/21 09/30/21	% INC (DEC) CUM. vs. CURR MTH.
NURSING & MEDICAL					
\$ 122,221	PAYROLL DNS & RN SUPERVISORS	\$ 1,135,754	\$ 36.11	\$ 32.59	-10.80%
143,744	PAYROLL L.P.N.	1,190,656	37.86	38.33	1.23%
208,064	PAYROLL AIDES & ORDERLIES	1,814,696	57.70	55.48	-4.00%
12,355	PAYROLL MDS COORDINATOR	102,676	3.26	3.29	0.91%
8,083	PAYROLL MEDICAL RECORDS	73,855	2.35	2.16	-8.80%
5,493	PAYROLL ADMINISTRATIVE	47,070	1.50	1.46	-2.74%
93,201	BENEFITS	939,621	29.88	24.85	-20.24%
21,092	CONTRACTED NURSING SERVICES LPN	139,858	4.45	5.62	20.82%
369	MEDICAL SUPPLIES & SERVICES	7,170	0.23	0.10	-130.00%
3,597	OTHER	5,505	0.18	0.96	81.25%
\$ 618,219	TOTAL NURSING & MEDICAL	\$ 5,456,861	\$ 173.52	\$ 164.84	-5.27%
THERAPY & ANCILLARIES					
\$ 88,667	PAYROLL PHYSICAL THERAPY	\$ 768,849	\$ 24.45	\$ 23.64	-3.43%
64,137	PAYROLL OCCUPATIONAL THERAPY	538,801	17.13	17.10	-0.18%
28,589	BENEFITS	281,500	8.95	7.62	-17.45%
206	PHYSICAL THERAPY SERVICES	6,958	0.22	0.05	-340.00%
1,237	OCCUPATIONAL THERAPY SERVICES	6,201	0.20	0.33	39.39%
4,086	THERAPEUTIC SUPPLIES & SERVICES	15,592	0.50	1.09	54.13%
41,384	RX DRUGS	310,090	9.86	11.04	10.69%
4,332	LABORATORY SERVICES & SUPPLIES	47,291	1.50	1.16	-29.31%
2,966	RADIOLOGY SERVICES & SUPPLIES	28,964	0.92	0.79	-16.46%
22,853	SUPPLIES	264,508	8.41	6.09	-38.10%
2,402	PHARMACY CONSULTANT	18,820	0.60	0.64	6.25%
11,575	CONTRACTED SERVICES	121,221	3.85	3.09	-24.60%
\$ 272,434	TOTAL THERAPY & ANCILLARIES	\$ 2,408,795	\$ 76.59	\$ 72.65	-5.42%
SOCIAL SERVICES					
\$ 12,097	PAYROLL	\$ 113,573	\$ 3.61	\$ 3.23	-11.76%
2,150	BENEFITS	24,412	0.78	0.57	-36.84%
\$ 14,247	TOTAL SOCIAL SERVICES	\$ 137,985	\$ 4.39	\$ 3.80	-15.53%

HBL SNF, LLC
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d/b/a**EPIC REHABILITATION AND NURSING AT WHITE PLAINS****STATEMENT OF OPERATIONS - EXPENSES**

Nine Months Ended September 30, 2021

CURR. MTH. 09/01/21 9/30/21	DEPARTMENT	CUM. 01/01/21 09/30/21	PER DAY 01/01/21 09/30/21	PER DAY 09/01/21 09/30/21	% INC (DEC) CUM. vs. CURR MTH.
LEISURE TIME ACTIVITIES					
\$ 22,415	PAYROLL	\$ 195,981	\$ 6.23	\$ 5.98	-4.18%
4,247	BENEFITS	42,259	1.34	1.13	-18.58%
-	CONTRACTED SERVICES	636	0.02	-	100.00%
1,653	SUPPLIES & SERVICES	12,201	0.39	0.44	11.36%
1,875	OTHER	4,475	0.14	0.50	72.00%
<u>\$ 30,190</u>	TOTAL LEISURE TIME ACTIVITIES	<u>\$ 255,552</u>	<u>\$ 8.12</u>	<u>\$ 8.05</u>	<u>-0.87%</u>
CLEANLINESS & SAFETY					
\$ 67,283	PAYROLL HOUSEKEEPING	\$ 549,756	\$ 17.48	\$ 17.94	2.56%
19,401	PAYROLL MAINTENANCE	167,562	5.33	5.17	-3.09%
3,565	PAYROLL LAUNDRY	24,798	0.79	0.95	16.84%
16,963	BENEFITS	159,775	5.08	4.52	-12.39%
2,510	MAINTENANCE SUPPLIES	20,604	0.66	0.67	1.49%
2,280	TRANSPORTATION	8,444	0.27	0.61	55.74%
7,269	HOUSEKEEPING SUPPLIES	46,820	1.49	1.94	23.20%
7,189	MAINTENANCE SERVICES	146,849	4.67	1.92	-143.23%
6,744	LAUNDRY SUPPLIES & SERVICES	83,108	2.64	1.80	-46.67%
<u>\$ 133,204</u>	TOTAL CLEANLINESS & SAFETY	<u>\$ 1,207,716</u>	<u>\$ 38.41</u>	<u>\$ 35.52</u>	<u>-8.14%</u>
FOOD & NUTRITION					
\$ 91,616	PAYROLL	\$ 775,957	\$ 24.67	\$ 24.43	-0.98%
17,085	BENEFITS	167,014	5.31	4.56	-16.45%
-	DIETICIAN	27,972	0.89	-	100.00%
40,786	FOOD	262,778	8.36	10.88	23.16%
48	PURCHASED SERVICES	2,096	0.07	0.01	-600.00%
7,161	SUPPLIES	55,221	1.76	1.91	7.85%
<u>\$ 156,696</u>	TOTAL FOOD & NUTRITION	<u>\$ 1,291,038</u>	<u>\$ 41.06</u>	<u>\$ 41.79</u>	<u>1.75%</u>

HBL SNF, LLC
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d/b/a**EPIC REHABILITATION AND NURSING AT WHITE PLAINS****STATEMENT OF OPERATIONS - EXPENSES**

Nine Months Ended September 30, 2021

CURR. MTH. 09/01/21 9/30/21	DEPARTMENT	CUM. 01/01/21 09/30/21	PER DAY 01/01/21 09/30/21	PER DAY 09/01/21 09/30/21	% INC (DEC) CUM. vs. CURR MTH.
GENERAL & ADMINISTRATION					
\$ 15,331	PAYROLL ADMIN & OPERATION	\$ 138,681	\$ 4.41	\$ 4.09	-7.82%
3,546	PAYROLL OFFICE FISCAL	47,376	1.51	0.95	-58.95%
17,864	PAYROLL OFFICE OTHER	134,376	4.27	4.76	10.29%
7,471	BENEFITS	84,929	2.70	1.99	-35.68%
1,035	SUPPLIES & SERVICES	14,304	0.45	0.28	-60.71%
47,349	CONTRACTED SERVICES	463,782	14.75	12.63	-16.79%
26,000	INSURANCE - LIAB., MALP., ETC.	234,000	7.44	6.93	-7.36%
79,930	MANAGEMENT FEES	691,285	21.98	21.31	-3.14%
5,497	ACCOUNTING FEES	81,648	2.60	1.47	-76.87%
200	CONTRIBUTION	200	0.01	0.05	80.00%
10,000	BAD DEBTS	90,000	2.86	2.67	-7.12%
3,259	ADVERTISING	38,639	1.23	0.87	-41.38%
46,480	STATE REVENUE ASSESSMENT	326,328	10.38	12.39	16.22%
90,830	LEGAL	526,878	16.75	24.22	30.84%
1,235	BANK FEES	8,056	0.26	0.33	21.21%
3,973	MISCELLANEOUS EXPENSES	35,994	1.14	1.06	-7.55%
\$ 360,000	TOTAL GENERAL & ADMINISTRATION	\$ 2,916,476	\$ 92.74	\$ 96.00	3.40%
PROPERTY (NON-TRENDED)					
\$ 506,097	RENT	\$ 4,554,869	\$ 144.83	\$ 134.96	-7.31%
12,610	EQUIPMENT RENTALS	112,232	3.57	3.36	-6.25%
2,340	INTEREST	22,573	0.72	0.62	-16.13%
21,000	DEPRECIATION	189,000	6.01	5.60	-7.32%
5,861	SALES TAX	76,666	2.44	1.56	-56.41%
50,000	REAL ESTATE TAX	450,000	14.31	13.33	-7.35%
5,000	PROPERTY INSURANCE	45,000	1.43	1.33	-7.52%
\$ 602,908	TOTAL PROPERTY	\$ 5,450,340	\$ 173.31	\$ 160.76	-7.81%
NON COMPARABLE (TRENDED)					
\$ 3,750	MEDICAL DIRECTOR	\$ 33,750	\$ 1.07	\$ 1.00	-7.00%
2,400	DENTAL FEES	14,400	0.46	0.64	28.13%
31,952	LIGHT, HEAT & POWER	260,190	8.27	8.52	2.93%
\$ 38,102	TOTAL NON COMPARABLE	\$ 308,340	\$ 9.80	\$ 10.16	3.54%

HBL SNF, LLC
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d/b/a**EPIC REHABILITATION AND NURSING AT WHITE PLAINS****STATEMENT OF OPERATIONS - EXPENSES**

Nine Months Ended September 30, 2021

CURR. MTH. 09/01/21 9/30/21	DEPARTMENT	CUM. 01/01/21 09/30/21	PER DAY 01/01/21 09/30/21	PER DAY 09/01/21 09/30/21	% INC (DEC) CUM. vs. CURR MTH.
NON-SNF PROGRAMS					
PAYROLL SUMMARY					
\$ 122,221	DNS & RN SUPERVISORS	\$ 1,135,754	\$ 36.11	\$ 32.59	-10.80%
143,744	L.P.N'S	1,190,656	37.86	38.33	1.23%
208,064	AIDES & ORDERLIES	1,814,696	57.70	55.48	-4.00%
12,355	PAYROLL MDS COORDINATOR	102,676	3.26	3.29	0.91%
5,493	NURSING ADMINISTRATIVE	47,070	1.50	1.46	-2.74%
88,667	PHYSICAL THERAPY	768,849	24.45	23.64	-3.43%
64,137	OCCUPATIONAL THERAPY	538,801	17.13	17.10	-0.18%
91,616	DIETARY	775,957	24.67	24.43	-0.98%
22,415	RECREATION	195,981	6.23	5.98	-4.18%
67,283	HOUSEKEEPING	549,756	17.48	17.94	2.56%
19,401	MAINTENANCE	167,562	5.33	5.17	-3.09%
3,565	LAUNDRY	24,798	0.79	0.95	16.84%
8,083	MEDICAL RECORDS	73,855	2.35	2.16	-8.80%
12,097	SOCIAL SERVICES	113,573	3.61	3.23	-11.76%
15,331	ADMINISTRATION	138,681	4.41	4.09	-7.82%
3,546	OFFICE FISCAL	47,376	1.51	0.95	-58.95%
17,864	ADMINISTRATIVE & OFFICE OTHER	134,376	4.27	4.76	10.29%
\$ 905,882	TOTAL PAYROLL SUMMARY	\$ 7,820,417	\$ 248.66	\$ 241.55	-2.94%

CONTRACTED LABOR SUMMARY

\$ 21,092	NURSING	\$ 139,858	\$ 4.45	\$ 5.62	20.82%
206	PHYSICAL THERAPY	6,958	0.22	0.05	-340.00%
1,237	OCCUPATIONAL THERAPY	6,201	0.20	0.33	39.39%
11,575	ANCILLARY SERVICES	121,221	3.85	3.09	-24.60%
-	ACTIVITIES	636	0.02	-	100.00%
\$ 34,110	TOTAL CONTRACTED LABOR SUMMARY	\$ 274,874	\$ 8.74	\$ 9.09	3.85%

BENEFITS SUMMARY

\$ 67,250	FICA	\$ 577,903	\$ 18.38	\$ 17.93	-2.51%
4,695	UNEMPLOYMENT INSURANCE	114,098	3.63	1.26	-188.10%
684	DISABILITY	1,569	0.05	0.18	72.22%
11,000	WORKMEN'S COMPENSATION	101,153	3.22	2.93	-9.90%
2,450	NON UNION PENSION	14,454	0.46	0.65	29.23%
78,293	HEALTH INSURANCE	838,845	26.67	20.88	-27.73%
2,989	MTA COMMUTER TAX	25,684	0.82	0.80	-2.50%
2,345	OTHER BENEFITS	25,804	0.82	0.63	-30.16%
\$ 169,706	TOTAL BENEFITS SUMMARY	\$ 1,699,510	\$ 54.05	\$ 45.26	-19.42%

HBL SNF, LLC
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d/b/a**EPIC REHABILITATION AND NURSING AT WHITE PLAINS****% OF BENEFITS TO PAYROLL****Nine Months Ended September 30, 2021**

CURR. MTH. 09/01/21 9/30/21	DEPARTMENT	CUM. 01/01/21 09/30/21	PER DAY 01/01/21 09/30/21	PER DAY 09/01/21 09/30/21	% INC (DEC) CUM. vs. CURR MTH.
18.73%	% OF BENEFITS TO PAYROLL	21.73%	N/A	N/A	3.00%

HBL SNF, LLC
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d/b/a**EPIC REHABILITATION AND NURSING AT WHITE PLAINS****CENSUS SUMMARY****September 30, 2021****Nine Months Ended September 30, 2021**

MONTH	MEDICAID RESIDENT DAYS	MEDICARE RESIDENT DAYS	PRIVATE RESIDENT DAYS	OTHER INS RESIDENT DAYS	TOTAL	OCC PCTG.	AVG. BED OCC.
JAN 2021	678	1,498	120	103	2,399	48.37%	77.0
FEB 2021	794	1,988	88	262	3,132	69.91%	112.0
MAR 2021	1,522	1,501	169	288	3,480	70.16%	112.0
APRIL 2021	1,806	1,318	68	196	3,388	70.58%	113.0
MAY 2021	1,748	1,404	163	446	3,761	75.83%	121.0
JUNE 2021	1,942	1,155	210	442	3,749	78.10%	125.0
JULY 2021	1,831	1,241	420	461	3,953	79.70%	128.0
AUG 2021	2,172	1,102	149	415	3,838	77.38%	124.0
SEPT 2021	1,729	1,281	345	395	3,750	78.13%	125.0
YTD TOTAL	14,222	12,488	1,732	3,008	31,450	72.00%	115.0
PAYOR MIX	45.22%	39.71%	5.51%	9.56%	100.00%	YTD	

One Month Ended September 30, 2021

SEPT 2021	1,729	1,281	345	395	3,750	78.13%	125.0
CURR TOTAL	1,729	1,281	345	395	3,750	78.13%	125.0
PAYOR MIX	46.11%	34.16%	9.20%	10.53%	100.00%	PER.	

OF SNF BEDS: 160

Form 1065 Department of the Treasury Internal Revenue Service		U.S. Return of Partnership Income For calendar year 2020, or tax year beginning _____, 2020, ending _____, 20_____. ▶ Go to www.irs.gov/Form1065 for instructions and the latest information.		OMB No. 1545-0123 2020	
A Principal business activity NURSING CARE B Principal product or service NURSING CARE C Business code number 623000	Type or Print	Name of partnership HBL SNF LLC Number, street, and room or suite no. If a P.O. box, see instructions. 1280 ALBANY POST ROAD City or town, state or province, country, and ZIP or foreign postal code CROTON HDSN, NY 10520	D Employer identification number 47-5606045 E Date business started 05/10/2019 F Total assets (see instructions) \$ 7,076,115.		
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return H Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶ _____ I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 3 J Check if Schedules C and M-3 are attached. ▶ <input checked="" type="checkbox"/> K Check if partnership: (1) <input type="checkbox"/> Aggregated activities for section 465 at-risk purposes (2) <input type="checkbox"/> Grouped activities for section 469 passive activity purposes					

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

Income	1a	Gross receipts or sales.	1a	10,477,237.	
	b	Returns and allowances.	1b		
	c	Balance. Subtract line 1b from line 1a			10,477,237.
	2	Cost of goods sold (attach Form 1125-A).			
	3	Gross profit. Subtract line 2 from line 1c			10,477,237.
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement).			
	5	Net farm profit (loss) (attach Schedule F (Form 1040)).			
	6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			
Deductions (see instructions for limitations)	7	Other income (loss) (attach statement)		SEE. STATEMENT. 1.	167,336.
	8	Total income (loss). Combine lines 3 through 7			10,644,573.
	9	Salaries and wages (other than to partners) (less employment credits)			6,737,392.
	10	Guaranteed payments to partners.			
	11	Repairs and maintenance			
	12	Bad debts.			
	13	Rent			6,105,558.
	14	Taxes and licenses.		SEE. STATEMENT. 1.	1,302,865.
	15	Interest (see instructions)		SEE. STATEMENT. 1.	NONE
	16a	Depreciation (if required, attach Form 4562).	16a	492,181.	
	b	Less depreciation reported on Form 1125-A and elsewhere on return	16b		492,181.
Tax and Payment	17	Depletion (Do not deduct oil and gas depletion.)			
	18	Retirement plans, etc.			
	19	Employee benefit programs			611,329.
	20	Other deductions (attach statement)		SEE. STATEMENT. 1.	3,136,294.
	21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20			18,385,619.
	22	Ordinary business income (loss). Subtract line 21 from line 8			-7,741,046.
	23	Interest due under the look-back method - completed long-term contracts (attach Form 8697)			
	24	Interest due under the look-back method - income forecast method (attach Form 8866)			
	25	BBA AAR imputed underpayment (see instructions)			
	26	Other taxes (see instructions)			
27	Total balance due. Add lines 23 through 26				
28	Payment (see instructions).				
29	Amount owed. If line 28 is smaller than line 27, enter amount owed.				
30	Overpayment. If line 28 is larger than line 27, enter overpayment				

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.			
	MEMBER LIZER JOZEFOWIC Signature of partner or limited liability company member	Date 09/07/2021	May the IRS discuss this return with the preparer shown below? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Paid Preparer Use Only	Print/Type preparer's name WAYNE I ROBINSON	Preparer's signature	Date 09/07/2021	Check <input type="checkbox"/> if self-employed PTIN P00190944
	Firm's name ▶ HORAN, MARTELLO, MORRONE PC			Firm's EIN ▶ 11-2528271
	Firm's address ▶ 527 TOWNLINE ROAD HAUPPAUGE, NY 11788			Phone no. 631-265-6289

For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2020)

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:	Yes	No
a <input type="checkbox"/> Domestic general partnership		
c <input checked="" type="checkbox"/> Domestic limited liability company		
e <input type="checkbox"/> Foreign partnership		
b <input type="checkbox"/> Domestic limited partnership		
d <input type="checkbox"/> Domestic limited liability partnership		
f <input type="checkbox"/> Other ►		

2 At the end of the tax year:		
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		X
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		X

3 At the end of the tax year, did the partnership:		
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		
		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

4 Does the partnership satisfy all four of the following conditions?	Yes	No
a The partnership's total receipts for the tax year were less than \$250,000.		
b The partnership's total assets at the end of the tax year were less than \$1 million.		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d The partnership is not filing and is not required to file Schedule M-3. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.		X

5 Is this partnership a publicly traded partnership, as defined in section 469(k)(2)?		
		X

6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		
		X

7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		
		X

8 At any time during calendar year 2020, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ►		
		X

9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		
		X

10 a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		
		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X

Schedule B Other Information (continued)

	Yes	No
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
11 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) <input type="checkbox"/>		
12 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
13 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions		
14 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership		X
15 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return		
16a Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions	X	
b If "Yes," did you or will you file required Form(s) 1099?	X	
17 Enter the number of Forms 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return		
18 Enter the number of partners that are foreign governments under section 892		
19 During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		X
20 Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938		X
21 Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?		X
22 During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions If "Yes," enter the total amount of the disallowed deductions \$		X
23 Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
24 Does the partnership satisfy one or more of the following? See instructions a The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense. b The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the partnership has business interest. c The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.	X	
25 Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3 If "No," complete Designation of Partnership Representative below.		X

Designation of Partnership Representative (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR **WESTCHESTER HEALTH CARE**

U.S. address of PR 537 RT. 22 PURDYS, NY 10578	U.S. phone number of PR (631) 265-6289
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If the PR is an entity, name of the designated individual for the PR **LIZER JOZEFOVIC**

U.S. address of designated individual 53 MARINER WAY MONSEY, NY 10952	U.S. phone number of designated individual (631) 265-6289
--	--

26 Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 16 \$		X
27 Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership.		
28 At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		X
29 Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions. Percentage: By Vote By Value		X

Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 -7,741,046.
	2 Net rental real estate income (loss) (attach Form 8825).	2
	3a Other gross rental income (loss) 3a	
	b Expenses from other rental activities (attach statement) 3b	
	c Other net rental income (loss). Subtract line 3b from line 3a 3c	
	4 Guaranteed payments: a Services 4a b Capital 4b	
	c Total. Add lines 4a and 4b. 4c	
	5 Interest income SEE. STATEMENT. 2 5	408.
	6 Dividends and dividend equivalents: a Ordinary dividends 6a	
	b Qualified dividends 6b c Dividend equivalents 6c	
	7 Royalties 7	
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065)) 8		
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065)) 9a		
b Collectibles (28%) gain (loss) 9b		
c Unrecaptured section 1250 gain (attach statement) 9c		
10 Net section 1231 gain (loss) (attach Form 4797) 10		
11 Other income (loss) (see instructions) Type ▶ 11		
Deductions	12 Section 179 deduction (attach Form 4562) 12	
	13a Contributions 13a	
	b Investment interest expense 13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶ 13c(2)	
d Other deductions (see instructions) Type ▶ 13d	32,964.	
Self-Employment	14a Net earnings (loss) from self-employment SEE. STATEMENT. 3 14a	-7,741,046.
	b Gross farming or fishing income 14b	
	c Gross nonfarm income SEE. STATEMENT. 4 14c	10,644,573.
Credits	15a Low-income housing credit (section 42(j)(5)) 15a	
	b Low-income housing credit (other). 15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) 15c	
	d Other rental real estate credits (see instructions) Type ▶ 15d	
	e Other rental credits (see instructions) Type ▶ 15e	
	f Other credits (see instructions) Type ▶ 15f	
Foreign Transactions	16a Name of country or U.S. possession ▶ 16a	
	b Gross income from all sources 16b	
	c Gross income sourced at partner level 16c	
	Foreign gross income sourced at partnership level	
	d Reserved for future use ▶ e Foreign branch category ▶ 16e	
	f Passive category ▶ g General category ▶ h Other (attach statement) ▶ 16h	
	Deductions allocated and apportioned at partner level	
	i Interest expense ▶ j Other ▶ 16j	
	Deductions allocated and apportioned at partnership level to foreign source income	
	k Reserved for future use ▶ l Foreign branch category ▶ 16l	
	m Passive category ▶ n General category ▶ o Other (attach statement) ▶ 16o	
	p Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/> 16p	
q Reduction in taxes available for credit (attach statement) 16q		
r Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment 17a	
	b Adjusted gain or loss 17b	
	c Depletion (other than oil and gas) 17c	
	d Oil, gas, and geothermal properties - gross income 17d	
	e Oil, gas, and geothermal properties - deductions 17e	
	f Other AMT items (attach statement) 17f	
Other Information	18a Tax-exempt interest income 18a	
	b Other tax-exempt income. 18b	
	c Nondeductible expenses 18c	
	19a Distributions of cash and marketable securities 19a	
	b Distributions of other property 19b	
	20a Investment income SEE. STATEMENT. 4 20a	408.
b Investment expenses 20b		
c Other items and amounts (attach statement) SEE. STATEMENT. 4		

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16p					1	-7,773,602.
2	Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other
a	General partners						
b	Limited partners				-7,773,602.		

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		1,279,097.		950,116.
2a	Trade notes and accounts receivable.			2,577,260.	
b	Less allowance for bad debts.			179,669.	2,397,591.
3	Inventories				30,041.
4	U.S. government obligations.				
5	Tax-exempt securities				
6	Other current assets (attach statement).	STMT 5	729,469.		1,309,238.
7a	Loans to partners (or persons related to partners)				
b	Mortgage and real estate loans.				
8	Other investments (attach statement).				
9a	Buildings and other depreciable assets	2,001,713.		2,600,017.	
b	Less accumulated depreciation.		2,001,713.	252,808.	2,347,209.
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only).				
b	Less accumulated amortization.				
13	Other assets (attach statement)	STMT 5			41,920.
14	Total assets		4,010,279.		7,076,115.
Liabilities and Capital					
15	Accounts payable		537,272.		1,287,920.
16	Mortgages, notes, bonds payable in less than 1 year				58,511.
17	Other current liabilities (attach statement)	STMT 5	52,846.		983,958.
18	All nonrecourse loans				
19a	Loans from partners (or persons related to partners)		2,200,000.		2,170,000.
b	Mortgages, notes, bonds payable in 1 year or more				236,182.
20	Other liabilities (attach statement)	STMT 5	3,061,360.		11,894,642.
21	Partners' capital accounts		-1,841,199.		-9,555,098.
22	Total liabilities and capital		4,010,279.		7,076,115.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The partnership may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books.		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16p, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16p (itemize):		a	Depreciation \$	
a	Depreciation \$				
b	Travel and entertainment \$		8	Add lines 6 and 7.	
5	Add lines 1 through 4		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year	-1,841,199.	6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property.		7	Other decreases (itemize):	
3	Net income (loss) per books	-7,681,595.		SEE STATEMENT 5	91,755.
4	Other increases (itemize):		8	Add lines 6 and 7.	91,755.
5	Add lines 1 through 4	-9,522,794.	9	Balance at end of year. Subtract line 8 from line 5	-9,614,549.

SCHEDULE C
(Form 1065)

(Rev. December 2014)
Department of the Treasury
Internal Revenue Service
Name of partnership

Additional Information for Schedule M-3 Filers

▶ Attach to Form 1065. See separate instructions.

▶ Information about Schedule C (Form 1065) and its instructions is at www.irs.gov/form1065.

OMB No. 1545-0123

HBL SNF LLC

Employer identification number

47-5606045

- | | Yes | No |
|--|-----|----|
| 1 At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? | | X |
| 2 Does any amount reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's share of capital in such partnership or its ratio for sharing other items of such partnership? | | X |
| 3 At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to a related person as defined in sections 267(b) and 707(b)(1)? | | X |
| 4 At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related person as defined in sections 267(b) and 707(b)(1)? | | X |
| 5 At any time during the tax year, did the partnership make any change in accounting principle for financial accounting purposes? See instructions for a definition of change in accounting principle | | X |
| 6 At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income tax purposes? | | X |

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule C (Form 1065) (Rev. 12-2014)

SCHEDULE M-3
(Form 1065)**Net Income (Loss) Reconciliation**
for Certain Partnerships

OMB No. 1545-0123

2020Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1065.

▶ Go to www.irs.gov/Form1065 for instructions and the latest information.

Name of partnership

HBL SNF LLC

Employer identification number

47-5606045

This Schedule M-3 is being filed because (check all that apply):

- A** ☐ The amount of the partnership's total assets at the end of the tax year is equal to \$10 million or more.
- B** ☒ The amount of the partnership's adjusted total assets for the tax year is equal to \$10 million or more. If box B is checked, enter the amount of adjusted total assets for the tax year 16,631,213.
- C** ☐ The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year _____.
- D** ☐ An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50% or more in the partnership's capital, profit, or loss on any day during the tax year of the partnership.

Name of Reportable Entity Partner	Identifying Number	Maximum Percentage Owned or Deemed Owned

E ☐ Voluntary filer.**Part I Financial Information and Net Income (Loss) Reconciliation****1a** Did the partnership file SEC Form 10-K for its income statement period ending with or within this tax year?

- ☐ **Yes.** Skip lines 1b and 1c and complete lines 2 through 11 with respect to that SEC Form 10-K.
- ☒ **No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the partnership prepare a certified audited non-tax-basis income statement for that period?

- ☐ **Yes.** Skip line 1c and complete lines 2 through 11 with respect to that income statement.
- ☒ **No.** Go to line 1c.

c Did the partnership prepare a non-tax-basis income statement for that period?

- ☐ **Yes.** Complete lines 2 through 11 with respect to that income statement.
- ☒ **No.** Skip lines 2 through 3b and enter the partnership's net income (loss) per its books and records on line 4a.

2 Enter the income statement period: Beginning _____ Ending _____**3a** Has the partnership's income statement been restated for the income statement period on line 2?

- ☐ **Yes.** (If "Yes," attach a statement and the amount of each item restated.)
- ☐ **No.**

b Has the partnership's income statement been restated for any of the 5 income statement periods immediately preceding the period on line 2?

- ☐ **Yes.** (If "Yes," attach a statement and the amount of each item restated.)
- ☐ **No.**

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a <u>-7,681,595.</u>
b Indicate accounting standard used for line 4a. See instructions.	
1 <input checked="" type="checkbox"/> GAAP	2 <input type="checkbox"/> IFRS
3 <input type="checkbox"/> Section 704(b)	
4 <input type="checkbox"/> Tax-basis	5 <input type="checkbox"/> Other (specify) ▶ _____
5a Net income from nonincludible foreign entities (attach statement)	5a ()
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) . . .	5b _____
6a Net income from nonincludible U.S. entities (attach statement)	6a ()
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b _____
7a Net income (loss) of other foreign disregarded entities (attach statement)	7a _____
b Net income (loss) of other U.S. disregarded entities (attach statement)	7b _____
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8 _____
9 Adjustment to reconcile income statement period to tax year (attach statement).	9 _____
10 Other adjustments to reconcile to amount on line 11 (attach statement)	10 _____
11 Net income (loss) per income statement of the partnership. Combine lines 4a through 10. . . .	11 <u>-7,681,595.</u>

Note: Part I, line 11, must equal Part II, line 26, column (a); or Form 1065, Schedule M-1, line 1. See instructions.**12** Enter the total amount (not just the partnership's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4		
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

For Paperwork Reduction Act Notice, see the instructions for your return.

Schedule M-3 (Form 1065) 2020

Schedule M-3 (Form 1065) 2020

Page **2**

Name of partnership

Employer identification number

HBL SNF LLC

47-5606045

Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return

Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
Attach statements for lines 1 through 10.				
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Gross foreign distributions previously taxed				
5 Income (loss) from equity method U.S. corporations				
6 U.S. dividends				
7 Income (loss) from U.S. partnerships				
8 Income (loss) from foreign partnerships				
9 Income (loss) from other pass-through entities				
10 Items relating to reportable transactions				
11 Interest income (see instructions)	408.			408.
12 Total accrual to cash adjustment				
13 Hedging transactions				
14 Mark-to-market income (loss)				
15 Cost of goods sold (see instructions)	()			()
16 Sale versus lease (for sellers and/or lessors)				
17 Section 481(a) adjustments				
18 Unearned/deferred revenue				
19 Income recognition from long-term contracts				
20 Original issue discount and other imputed interest				
21a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets other than inventory				
22 Other income (loss) items with differences (attach statement)				
23 Total income (loss) items. Combine lines 1 through 22	408.			408.
24 Total expense/deduction items. (From Part III, line 31) (see instructions)	-220,505.	-92,007.		-312,512.
25 Other items with no differences	-7,461,498.			-7,461,498.
26 Reconciliation totals. Combine lines 23 through 25	-7,681,595.	-92,007.		-7,773,602.

Note: Line 26, column (a), must equal Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Schedule M-3 (Form 1065) 2020

Schedule M-3 (Form 1065) 2020

Page **3**

Name of partnership

Employer identification number

HBL SNF LLC

47-5606045

Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return - Expense/Deduction Items

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 State and local current income tax expense .				
2 State and local deferred income tax expense				
3 Foreign current income tax expense (other than foreign withholding taxes)				
4 Foreign deferred income tax expense . . .				
5 Equity-based compensation				
6 Meals and entertainment				
7 Fines and penalties				
8 Judgments, damages, awards, and similar costs .				
9 Guaranteed payments				
10 Pension and profit-sharing				
11 Other post-retirement benefits				
12 Deferred compensation				
13 Charitable contribution of cash and tangible property				
14 Charitable contribution of intangible property				
15 Organizational expenses as per Regulations section 1.709-2(a)				
16 Syndication expenses as per Regulations section 1.709-2(b)				
17 Current year acquisition/reorganization investment banking fees				
18 Current year acquisition/reorganization legal and accounting fees				
19 Amortization/impairment of goodwill . . .				
20 Amortization of acquisition, reorganization, and start-up costs				
21 Other amortization or impairment write-offs				
22 Reserved for future use				
23 a Depletion - oil & gas				
b Depletion - other than oil & gas				
24 Intangible drilling and development costs (IDC)				
25 Depreciation	220,505.	271,676.		492,181.
26 Bad debt expense		-179,669.		-179,669.
27 Interest expense (see instructions)				
28 Purchase versus lease (for purchasers and/ or lessees)				
29 Research and development costs				
30 Other expense/deduction items with differences (attach statement)				
31 Total expense/deduction items. Combine lines 1 through 30. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive	220,505.	92,007.		312,512.

Schedule M-3 (Form 1065) 2020

Form **8916-A**(Rev. November 2019)
Department of the Treasury
Internal Revenue Service**Supplemental Attachment to Schedule M-3**▶ **Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120-S.**▶ **Go to www.irs.gov/Form1120 for the latest information.**

OMB No. 1545-0123

Name of common parent

HBL SNF LLC

Employer identification number

47-5606045

Name of subsidiary

Employer identification number

Part I Cost of Goods Sold

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
a Stock option expense				
b Other equity-based compensation				
c Meals and entertainment				
d Parachute payments				
e Compensation with section 162(m) limitation				
f Pension and profit sharing				
g Other post-retirement benefits				
h Deferred compensation				
i Reserved				
j Amortization				
k Depletion				
l Depreciation				
m Corporate-owned life insurance premiums				
n Other section 263A costs				
3 Inventory shrinkage accruals				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs				
6 Other items with differences (attach statement)				
7 Other items with no differences				
8 Total cost of goods sold. Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions				

For Paperwork Reduction Act Notice, see instructions.

Form **8916-A** (Rev. 11-2019)

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income				
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income SEMT 7	408.			408.
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	408.			408.

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense				
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.				

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2020Attachment
Sequence No. **179**Department of the Treasury
Internal Revenue Service (99)▶ Attach to your tax return.
▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

Name(s) shown on return

Identifying number

HBL SNF LLC

47-5606045

Business or activity to which this form relates

HBL SNF LLC

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	1,040,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,590,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	1,040,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2019 Form 4562	10	1,020,000.
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	NONE
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2021. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	350,251.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2020	17	133,670.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2020 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
* 19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property		248,054.	15.000	HY	S/L	8,260.
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2020 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	492,181.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

* SEE DETAIL

Form **4562** (2020)

JSA 0X2300 3.000

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23

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)****24a** Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions 25								
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%			S/L -			
		%			S/L -			
		%			S/L -			
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. 28								
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. 29								

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (don't include commuting miles) . . .						
31 Total commuting miles driven during the year .						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their EmployeesAnswer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2020 tax year (see instructions):					
43 Amortization of costs that began before your 2020 tax year 43					
44 Total. Add amounts in column (f). See the instructions for where to report 44					

Form **8990**
(Rev. May 2020)
Department of the Treasury
Internal Revenue Service

Limitation on Business Interest Expense Under Section 163(j)

▶ **Attach to your tax return.**

OMB No. 1545-0123

▶ **Go to www.irs.gov/Form8990 for instructions and the latest information.**

Taxpayer name(s) shown on tax return

Identification number

HBL SNF LLC

47-5606045

If Form 8990 relates to an information return for a foreign entity (for example, Form 5471), enter:

Name of foreign entity ▶

Employer identification number, if any ▶

Reference ID number ▶

Part I Computation of Allowable Business Interest Expense

Part I is completed by all taxpayers subject to section 163(j). Schedule A and Schedule B need to be completed before Part I when the taxpayer is a partner or shareholder of a pass-through entity subject to section 163(j).

Section I - Business Interest Expense

1	Current year business interest expense (not including floor plan financing interest expense), before the section 163(j) limitation	1	32,964.	
2	Disallowed business interest expense carryforwards from prior years. (Does not apply to a partnership)	2		
3	Partner's excess business interest expense treated as paid or accrued in current year (Schedule A, line 44, column (h)).	3		
4	Floor plan financing interest expense. See instructions	4		
5	Total business interest expense. Add lines 1 through 4. ▶	5		32,964.

Section II - Adjusted Taxable Income

Taxable Income

6	Taxable income. See instructions	6		-7,773,602.
----------	---	----------	--	-------------

Additions (adjustments to be made if amounts are taken into account on line 6)

7	Any item of loss or deduction that is not properly allocable to a trade or business of the taxpayer. See instructions	7		
8	Any business interest expense not from a pass-through entity. See instructions	8	32,964.	
9	Amount of any net operating loss deduction under section 172	9		
10	Amount of any qualified business income deduction allowed under section 199A	10		
11	Deduction allowable for depreciation, amortization, or depletion attributable to a trade or business. See instructions.	11	492,181.	
12	Amount of any loss or deduction items from a pass-through entity. See instructions.	12		
13	Other additions. See instructions.	13		
14	Total current year partner's excess taxable income (Schedule A, line 44, column (f))	14		
15	Total current year S corporation shareholder's excess taxable income (Schedule B, line 46, column (c))	15		
16	Total. Add lines 7 through 15 ▶	16		525,145.

Reductions (adjustments to be made if amounts are taken into account on line 6)

17	Any item of income or gain that is not properly allocable to a trade or business of the taxpayer. See instructions	17	()	
18	Any business interest income not from a pass-through entity. See instructions	18	(408)	
19	Amount of any income or gain items from a pass-through entity. See instructions.	19	()	
20	Other reductions. See instructions	20	()	
21	Total. Combine lines 17 through 20 ▶	21	(408)	
22	Adjusted taxable income. Combine lines 6, 16, and 21. (If zero or less, enter -0-.) ▶	22		

For Paperwork Reduction Act Notice, see the instructions.

Form **8990** (Rev. 5-2020)

Section III - Business Interest Income

23	Current year business interest income. See instructions	23		
24	Excess business interest income from pass-through entities (total of Schedule A, line 44, column (g), and Schedule B, line 46, column (d))	24		
25	Total. Add lines 23 and 24		25	

Section IV - 163(j) Limitation Calculations**Limitation on Business Interest Expense**

26	Multiply adjusted taxable income (line 22) by the applicable percentage. See instructions	26		
27	Business interest income (line 25)	27		
28	Floor plan financing interest expense (line 4)	28		
29	Total. Add lines 26, 27, and 28		29	NONE

Allowable Business Interest Expense

30	Total current year business interest expense deduction. See instructions.	30		NONE
----	--	----	--	------

Carryforward

SEE STATEMENT 8

31	Disallowed business interest expense. Subtract line 29 from line 5. (If zero or less, enter -0-.) . . .	31		32,964.
----	---	----	--	---------

Part II Partnership Pass-Through Items

Part II is only completed by a partnership that is subject to section 163(j). The partnership items below are allocated to the partners and are not carried forward by the partnership. See the instructions for more information.

Excess Business Interest Expense

32	Excess business interest expense. Enter amount from line 31	32		32,964.
----	--	----	--	---------

Excess Taxable Income (If you entered an amount on line 32, skip lines 33 through 37.)

33	Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.)	33		
34	Subtract line 33 from line 26. (If zero or less, enter -0-.)	34		
35	Divide line 34 by line 26. Enter the result as a decimal. (If line 26 is zero, enter -0-.)	35		
36	Excess taxable income. Multiply line 35 by line 22.	36		

Excess Business Interest Income

37	Excess business interest income. Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.)	37		
----	--	----	--	--

Part III S Corporation Pass-Through Items

Part III is only completed by S corporations that are subject to section 163(j). The S corporation items below are allocated to the shareholders. See the instructions for more information.

Excess Taxable Income

38	Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.)	38		
39	Subtract line 38 from line 26. (If zero or less, enter -0-.)	39		
40	Divide line 39 by line 26. Enter the result as a decimal. (If line 26 is zero, enter -0-.)	40		
41	Excess taxable income. Multiply line 40 by line 22.	41		

Excess Business Interest Income

42	Excess business interest income. Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.)	42		
----	--	----	--	--

Form 8990 (Rev. 5-2020)

SCHEDULE A Summary of Partner's Section 163(j) Excess Items

Any taxpayer that owns an interest in a partnership subject to section 163(j) should complete Schedule A before completing Part I.

(a) Name of partnership	(b) EIN	Excess Business Interest Expense			(f) Current year excess taxable income	(g) Current year excess business interest income	(h) Excess business interest expense treated as paid or accrued (see instructions)	(i) Current year excess business interest expense carryforward ((e) minus (h))
		(c) Current year	(d) Prior year carryforward	(e) Total ((c) plus (d))				
43								
44 Total								

SCHEDULE B Summary of S Corporation Shareholder's Excess Taxable Income and Excess Business Interest Income

Any taxpayer that is required to complete Part I and is a shareholder in an S corporation that has excess taxable income or excess business interest income should complete Schedule B before completing Part I.

(a) Name of S corporation	(b) EIN	(c) Current year excess taxable income	(d) Current year excess business interest income
45			
46 Total			

2020 Depreciation

47-5606045

[illegible]

*Assets Retired

JSA
0X9027 1.000

2020 Depreciation

47-5606045

[illegible]

JSA
0X9027 1.000

2020 Alternative Minimum Tax Depreciation

47-5606045

[illegible]

* Assets Retired

2020 ACE Depreciation

HBL SNF LLC

47-5606045

[illegible]

**In certain circumstances, this may be regular tax depreciation rather than AMT depreciation.

CORPORATE PARTNERS' SHARE (FROM SCHEDULE K)

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**Regulation Section 1.263(a)-1(f) - De Minimis
Safe Harbor Election**

Taxpayer Name: HL SNF LLC
Taxpayer Address: 1280 ALBANY POST ROAD CROTON HDSN, NY 10520
Taxpayer ID Number: 47-5606045
Year-End: 12/31/2020

Under IRC Regulation Section 1.263(a)-1(f), the taxpayer hereby elects to apply the de minimis safe harbor election.

HBL SNF LLC

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47-5606045

FORM 1065 SUPPORTING SCHEDULES

LINE 7 - PAGE 1 - OTHER INCOME(LOSS)

=====

PROVIDER RELIEF FUNDS

MISCELLANEOUS

163,564.

3,772.

TOTAL OTHER INCOME(LOSS)

167,336.

=====

LINE 14 - PAGE 1 - TAXES

=====

PAYROLL TAXES

LLC FEES

SALES TAX

REAL ESTATE TAX

588,592.

200.

58,992.

655,081.

TOTAL TAXES

1,302,865.

=====

LINE 15 - PAGE 1 - DEDUCTIBLE INTEREST EXPENSE NOT CLAIMED ELSEWHERE

=====

INTEREST

- DISALLOWED INTEREST FROM FORM 8990

32,964.

32,964.

TOTAL DEDUCTIBLE INTEREST EXPENSE

NONE

=====

LINE 20 - PAGE 1 - OTHER DEDUCTIONS

=====

NURSING SUPPLIES & EXPENSES

CENTRAL MEDICAL SUPPLIES

LEISURE TIME ACTIVITIES

THERAPIES & ANCILLARIES

FOOD SERVICES

PLANT OPERATIONS AND MAINTENANCE

CLEANLINESS & SAFETY

LAUNDRY AND LINEN SERVICES

FISCAL EXPENSES

ADMINISTRATION EXPENSES

STATE REVENUE ASSESSMENT

TELEPHONE SERVICES

PROPERTY INSURANCE

MEDICAL DIRECTOR

EQUIPMENT RENTALS

SOCIAL SERVICES

DENTAL FEES

LIGHT, HEAT & POWER

46,718.

14,428.

954,122.

254,747.

350,647.

1,053,620.

69,065.

45,162.

45,000.

92,779.

192.

3,950.

205,864.

TOTAL OTHER DEDUCTIONS

3,136,294.

=====

HBL SNF LLC

Pg 49 of 63

47-5606045

FORM 1065 SUPPORTING SCHEDULES

=====

SCHEDULE K - LINE 5 - INTEREST INCOME

=====

OTHER INTEREST INCOME

INTEREST

408.

TOTAL INTEREST INCOME

408.

=====

SCHEDULE K - LINE 13D - OTHER DEDUCTIONS

=====

EXCESS BUSINESS INTEREST EXPENSE:

FROM GENERAL TRADE OR BUSINESS

32,964.

TOTAL OTHER DEDUCTIONS

32,964.

=====

HBL SNF LLC

Pg 50 of 63

47-5606045

FORM 1065 SUPPORTING SCHEDULES

=====

SCHEDULE K - LINE 14A - NET EARNINGS (LOSS) FROM SELF-EMPLOYMENT

=====

1A	ORDINARY INCOME (LOSS) (SCHEDULE K, LINE 1).	-7,741,046.
B	NET INCOME(LOSS) FROM CERTAIN RENTAL REAL ESTATE ACTIVITIES.	
C	NET INCOME (LOSS) FROM OTHER RENTAL ACTIVITIES	
D	NET LOSS FROM FORM 4797, PART II, LINE 17, INCLUDED ON LINE 1A ABOVE. ENTER AS A POSITIVE AMOUNT.	
E	COMBINE LINES 1A THROUGH 1D.	-7,741,046.
2	NET GAIN FROM FORM 4797, PART II, LINE 17, INCLUDED ON LINE 1A ABOVE.	
3A	SUBTRACT LINE 2 FROM LINE 1E. IF LINE 1E IS A LOSS, INCREASE THE LOSS ON LINE 1E BY THE AMOUNT ON LINE 2.	-7,741,046.
3B	PART OF LINE 3A ALLOCATED TO LIMITED PARTNERS, ESTATES, TRUSTS, CORPORATIONS, EXEMPT ORGANIZATIONS, AND IRAS	
3C	SUBTRACT LINE 3B FROM LINE 3A. IF LINE 3A IS A LOSS, REDUCE THE LOSS ON LINE 3A BY THE AMOUNT ON LINE 3B. INCLUDE EACH INDIVIDUAL GENERAL PARTNER'S SHARE ON LINE 14A OF SCHEDULE K-1	-7,741,046.
4A	GUARANTEED PAYMENTS TO PARTNERS.	
B	PART OF LINE 4A ALLOCATED TO ESTATES, TRUSTS, CORPORATIONS, EXEMPT ORGANIZATIONS, AND IRAS	
	PART OF LINE 4A ALLOCATED TO INDIVIDUAL LIMITED PARTNERS FOR OTHER THAN SERVICES	
C	SUBTRACT LINE 4B FROM LINE 4A. INCLUDE IN EACH INDIVIDUAL GENERAL PARTNER'S SHARE AND EACH INDIVIDUAL LIMITED PARTNER'S SHARE ON LINE 14A OF SCHEDULE K-1.	
5	NET EARNINGS (LOSS) FROM SELF-EMPLOYMENT (LINE 3C + 4C)	-7,741,046.

=====

HBL SNF LLC

Pg 51 of 63

47-5606045

FORM 1065 SUPPORTING SCHEDULES

=====

SCHEDULE K - LINE 14C - GROSS NONFARM INCOME

=====

1A GROSS INCOME FROM NONFARM ACTIVITIES	10,644,573.
B NET INCOME (LOSS) FROM CERTAIN RENTAL REAL ESTATE ACTIVITIES .	
C NET INCOME (LOSS) FROM OTHER RENTAL ACTIVITIES	
LESS GUARANTEED PAYMENTS FROM SCHEDULE K, LINE 4C.	
D COMBINE LINES 1A - 1C.	10,644,573.
E PART ALLOCATED TO PARTNERS WHO ARE ESTATES, TRUSTS,	
CORPORATIONS, EXEMPT ORGANIZATIONS, IRAS, OR LIMITED PARTNERS.	
F SUBTRACT LINE 1E FROM LINE 1D.	10,644,573.
4A GUARANTEED PAYMENTS TO PARTNERS.	
B PART OF LINE 4A ALLOCATED TO ESTATES, TRUSTS, CORPORATIONS,	
EXEMPT ORGANIZATIONS, AND IRAS	
PART OF LINE 4A ALLOCATED TO INDIVIDUAL LIMITED PARTNERS FOR	
OTHER THAN SERVICES	
C SUBTRACT LINE 4B FROM LINE 4A. INCLUDE IN EACH INDIVIDUAL	
GENERAL PARTNER'S SHARE AND EACH INDIVIDUAL LIMITED PARTNER'S	
SHARE ON LINE 14A OF SCHEDULE K-1.	
5 GROSS NONFARM INCOME FOR SCHEDULE K, LINE 14C (LINE 1F + 4C)	10,644,573.

SCHEDULE K - LINE 20A - INVESTMENT INCOME

=====

INTEREST INCOME	408.

TOTAL INVESTMENT INCOME, SCHEDULE K, LINE 20A	408.
	=====

SCHEDULE K - LINE 20C - OTHER

=====

SEC 199A INFORMATION - QBI INCOME:	
TRADE/BUSINESS-ORD BUSINESS INCOME (LOSS)	-7,741,046.
- TRADE/BUSINESS-OTHER DEDUCTIONS	32,964.
TOTAL TRADE/BUSINESS	-7,774,010.
SEC 199A INFORMATION - W-2 WAGES:	
TRADE/BUSINESS	6,737,392.
SEC 199A INFORMATION - UBI A:	
TRADE/BUSINESS	2,600,017.
OTHER ITEMS NOT CARRYING TO SCHEDULE M-1:	
BEG OF YEAR TAX BASIS CAPITAL	-2,177,894.
END OF YEAR TAX BASIS CAPITAL	-7,774,010.

HBL SNF LLC

Pg 52 of 63

47-5606045

FORM 1065, SUPPORTING SCHEDULES

SCHEDULE L - LINE 6 - OTHER CURRENT ASSETS

BEGINNING

ENDING

PREPAID INSURANCE

26,299.

283,660.

PREPAID SERVICE CONTRACTS

2,485.

3,094.

SECURITY DEPOSITS

685.

3,707.

PREPAID RENT

700,000.

667,600.

PROVIDER RELIEF FUNDS

102,642.

EXCHANGE

2,475.

DUE FROM THIRD PARTY PAYORS

246,060.

TOTAL OTHER CURRENT ASSETS

729,469.

1,309,238.

SCHEDULE L - LINE 13 - OTHER ASSETS

BEGINNING

ENDING

RESIDENT FUND

41,920.

TOTAL OTHER ASSETS

41,920.

SCHEDULE L - LINE 17 - OTHER CURRENT LIABILITIES

BEGINNING

ENDING

ACCRUED PAYROLL & TAXES

50,569.

471,990.

ACCRUED EXPENSES

2,277.

29,648.

PPP LOAN PAYABLE

482,320.

TOTAL OTHER CURRENT LIABILITIES

52,846.

983,958.

SCHEDULE L - LINE 20 - OTHER LIABILITIES

BEGINNING

ENDING

DUE TO RELATED PARTIES

3,061,360.

11,853,222.

RESIDENT FUND PAYABLE

41,420.

TOTAL OTHER LIABILITIES

3,061,360.

11,894,642.

SCHEDULE M-2 - LINE 7 - OTHER DECREASES

PRIOR PERIOD ADJUSTMENT

32,304.

TAX BASIS ADJUSTMENT

59,451.

TOTAL OTHER DECREASES

91,755.

SCHEDULE M-3, PART II DETAIL

LINE 25 - OTHER INCOME (LOSS) AND
EXPENSE/DEDUCTION ITEMS WITH NO DIFFERENCES

SALARIES	-6,737,392.
RENT	-6,105,558.
SALES TAX	-58,992.
PAYROLL TAXES	-588,592.
EMPLOYEE BENEFITS	-611,329.
NURSING FACILITY	-46,718.
THERAPY & ANCILLARIES	-954,122.
LEISURE TIME ACTIVITIES	-14,428.
PT SUPPLIES	
FOOD SERVICES	-254,747.
PLANT OPERATIONS AND MAINTENANCE	
CLEANINESS & SAFETY	-350,647.
FISCAL EXPENSES	
ADMIN EXPENSES	-1,053,620.
PUBLIC RELATIONS	
EQUIPMENT RENTALS	-92,779.
INSURANCE	-45,162.
INTEREST	-32,964.
GROSS SALES	10,297,568.
PROVIDER RELIEF FUND INCOME	163,564.
OTHER INCOME	3,772.
SOCIAL SERVICES	-192.
NON COMPARABLE	-254,814.
STATE REVENUE ASSESSMENT	-69,065.
LLC FEES	-200.
REAL ESTATE TAX	-655,081.

TOTAL	-7,461,498.
	=====

FORM 8916-A, PART II DETAIL

LINE 5 - OTHER INTEREST INCOME

DESCRIPTION	INCOME (LOSS) PER INCOME STMT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
INTEREST INCOME	408.			408.
	-----	-----	-----	-----
TOTAL	408.			408.
	=====	=====	=====	=====

8990 LINE 30 BUSINESS INTEREST EXPENSE SUMMARY

```

=====
                                GROSS                DEDUCTIBLE                DISALLOWED
                                INTEREST EXPENSE    INTEREST EXPENSE    INTEREST EXPENSE
                                -----            -----            -----
ORDINARY BUSINESS INTEREST EXPENSE                32,964.                NONE                32,964.
PTE BUSINESS INTEREST EXPENSE                        NONE                NONE
RENTAL BUSINESS INTEREST EXPENSE
OTHER RENTAL BUSINESS INTEREST EXPENSE
FARM BUSINESS INTEREST EXPENSE
MULTIPLE TRADE INTEREST EXPENSE

DEDUCTIBLE 50% 2019 PARTNER'S EBIE FROM SCH A COL (D)

TOTAL                32,964.                NONE                32,964.

```

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[illegible]

Final K-1

Amended K-1

OMB No. 1545-0123

**Schedule K-1
(Form 1065)**Department of the Treasury
Internal Revenue Service**2020**

For calendar year 2020, or tax year

beginning

ending

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number

47-5606045

B Partnership's name, address, city, state, and ZIP code

HBL SNF LLC

1280 ALBANY POST ROAD

CROTON HDSN, NY 10520

C IRS Center where partnership filed return ▶ **EFILE****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

1

26-4511819

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

WESTCHESTER HEALTH CARE

PROPERTIES I, LLC

537 RT. 22

PURDYS, NY 10578

G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H1** ☒ Domestic partner ☐ Foreign partner**H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN

Name

I1 What type of entity is this partner? LIMITED LIAB CO**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐**J** Partner's share of profit, loss, and capital (see instructions):

Beginning

Ending

Profit 100.000000 % 100.000000 %

Loss 100.000000 % 100.000000 %

Capital 51.000000 % 51.000000 %

Check if decrease is due to sale or exchange of partnership interest ☐**K** Partner's share of liabilities:

Beginning

Ending

Nonrecourse . . . \$ \$

Qualified nonrecourse financing \$ \$

Recourse \$ 5,851,478. \$ 16,631,213.

☐ Check this box if Item K includes liability amounts from lower tier partnerships.**L Partner's Capital Account Analysis**

Beginning capital account \$ -1,841,199.

Capital contributed during the year . . \$

Current year net income (loss) \$ -7,681,595.

Other increase (decrease) (attach explanation) \$ -91,755.

Withdrawals & distributions \$ ()

Ending capital account \$ -9,614,549.

M Did the partner contribute property with a built-in gain or loss?☐ Yes☒ No

If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning \$

Ending \$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	-7,741,046.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital		
4c	Total guaranteed payments		
5	Interest income		
*	408.		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)	19	Distributions
12	Section 179 deduction		
		A	408.
13	Other deductions		
K*	32,964.	Z*	STMT
		AH*	STMT
14	Self-employment earnings (loss)		
A	-7,741,046.		
C	10,644,573.		
21	More than one activity for at-risk purposes*		
22	More than one activity for passive activity purposes*		

*See attached statement for additional information.

For IRS Use Only

HBL SNF LLC

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47-5606045

SCH K-1 SUPPORTING SCHEDULES PARTNER # 1 WESTCHESTER HEALTH CARE

=====

ITEM L - OTHER INCREASE (DECREASE)

=====

LESS: OTHER DECREASES TO PARTNER'S CAPITAL

PRIOR PERIOD ADJUSTMENT

TAX BASIS ADJUSTMENT

32,304.

59,451.

TOTAL OTHER INCREASE (DECREASE)

-91,755.

=====

LINE 5 - INTEREST INCOME

=====

OTHER INTEREST INCOME

INTEREST

408.

TOTAL INTEREST INCOME

408.

=====

LINE 13 - OTHER DEDUCTIONS

=====

K EXCESS BUSINESS INTEREST EXPENSE

FROM TRADE\BUSINESS

32,964.

TOTAL BOX K

32,964.

=====

LINE 20 - OTHER INFORMATION

=====

AH OTHER INFORMATION:

OTHER ITEMS NOT INCLUDED IN ITEM L, CURRENT YR INCR (DECR):

BEG OF YEAR TAX BASIS CAPITAL

-2,177,894.

END OF YEAR TAX BASIS CAPITAL

-7,774,010.

Statement A - QBI Pass-through Entity Reporting

Pg 60 of 63

Corporation's/Partnership's name: HBL SNF LLC				Corporation's/Partnership's EIN: 47-5606045					
Shareholder's/Partner's name: WESTCHESTER HEALTH CARE				Shareholder's/Partner's identifying number: 26-4511819					
				HBL SNF LLC					
				EIN: 47-5606045	EIN:	EIN:	EIN:	EIN:	EIN:
				<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP
				<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated
Shareholder's/Partner's share of:				<input checked="" type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB		
QBI or qualified PTP items, subject to shareholder/partner- specific determinations: GTB									
	Ordinary business income (loss)	-7,741,046.							
	Rental income (loss)								
	Royalty income (loss)								
	Section 1231 gain (loss)								
	Other income (loss)								
	Section 179 deduction								
	Other deductions	32,964.							
W-2 wages		6,737,392.							
UBIA of qualified property		2,600,017.							
Section 199A dividends									

HBL SNF LLC

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47-5606045

PARTNER WORKSHEET A DETAIL

PARTNER #

1 WESTCHESTER HEALTH CARE

=====

ACTIVITY: HBL SNF LLC - SSTB

=====

OTHER DEDUCTIONS

=====

EXCESS BUSINESS INTEREST EXPENSE

32,964.

TOTAL OTHER DEDUCTIONS

32,964.

=====

Final K-1

Amended K-1

OMB No. 1545-0123

**Schedule K-1
(Form 1065)**Department of the Treasury
Internal Revenue Service**2020**

For calendar year 2020, or tax year

beginning ending **Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number

47-5606045

B Partnership's name, address, city, state, and ZIP codeHBL SNF LLC
1280 ALBANY POST ROAD
CROTON HDSN, NY 10520**C** IRS Center where partnership filed return ▶ **EFILE****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

82-6701691

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.HHHW LIQUIDATION TRUST
55 GRASSLANDS ROAD
VALHALLA, NY 10595**G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member**H1** ☒ Domestic partner ☐ Foreign partner**H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN _____ Name _____

I1 What type of entity is this partner? TRUST**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐**J** Partner's share of profit, loss, and capital (see instructions):**Beginning****Ending**

Profit _____ % _____ %

Loss _____ % _____ %

Capital 39.000000 % 39.000000 %

Check if decrease is due to sale or exchange of partnership interest ☐**K** Partner's share of liabilities:**Beginning****Ending**

Nonrecourse \$ _____ \$ _____

Qualified nonrecourse
financing \$ _____ \$ _____

Recourse \$ _____ \$ _____

☐ Check this box if Item K includes liability amounts from lower tier partnerships.**L Partner's Capital Account Analysis****Beginning capital account.** \$ _____

Capital contributed during the year . . . \$ _____

Current year net income (loss) \$ _____

Other increase (decrease) (attach explanation) \$ _____

Withdrawals & distributions \$ (_____)

Ending capital account \$ _____**M** Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No If "Yes," attach statement. See instructions.**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning \$ _____

Ending \$ _____

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
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6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)	19	Distributions
		20	Other information
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)		
21	<input type="checkbox"/> More than one activity for at-risk purposes*		
22	<input type="checkbox"/> More than one activity for passive activity purposes*		

*See attached statement for additional information.

For IRS Use Only

Final K-1

Amended K-1

OMB No. 1545-0123

**Schedule K-1
(Form 1065)**Department of the Treasury
Internal Revenue Service**2020**

For calendar year 2020, or tax year

beginning

ending

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number

47-5606045

B Partnership's name, address, city, state, and ZIP code

HBL SNF LLC

1280 ALBANY POST ROAD

CROTON HDSN, NY 10520

C IRS Center where partnership filed return ▶ **EFILE****D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

3

13-2699737

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

BETHEL NURSING HOME COMPANY, INC

17-19 NARRAGANSETT AVENUE

OSSINING, NY 10562

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member**H1** ☒ Domestic partner ☐ Foreign partner**H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN _____ Name _____

I1 What type of entity is this partner? ☐ EXEMPT ORG.**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐**J** Partner's share of profit, loss, and capital (see instructions):

Beginning

Ending

Profit _____ % _____ %

Loss _____ % _____ %

Capital 10.000000 % 10.000000 %

Check if decrease is due to sale or exchange of partnership interest ☐**K** Partner's share of liabilities:

Beginning

Ending

Nonrecourse \$ _____ \$ _____

Qualified nonrecourse financing \$ _____ \$ _____

Recourse \$ _____ \$ _____

☐ Check this box if Item K includes liability amounts from lower tier partnerships.**L Partner's Capital Account Analysis**

Beginning capital account \$ _____

Capital contributed during the year . . . \$ _____

Current year net income (loss) \$ _____

Other increase (decrease) (attach explanation) \$ _____

Withdrawals & distributions \$ (_____)

Ending capital account \$ _____

M Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No If "Yes," attach statement. See instructions.**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning \$ _____

Ending \$ _____

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
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9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
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14	Self-employment earnings (loss)		
21	More than one activity for at-risk purposes*		
22	More than one activity for passive activity purposes*		

*See attached statement for additional information.

For IRS Use Only